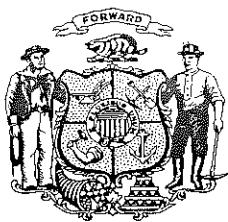


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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: November 16, 2010

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

The report is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity. The report is a summary of October 2010 efforts.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle
Governor

Reggie Bicha
Secretary



State of Wisconsin
Department of Children and Families

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November 15, 2010

Honorable Mark Miller, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter provides the Department of Children and Families' November 2010 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity. Following is a summary of October 2010 efforts.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, October 2010

Expenditures related to fraud prevention and investigation: \$295,200

The above amount represents the October 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$42,100

The October 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$142,087

In October 2010, DCF collected \$47,843 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$94,244 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in October 2010 to DCF.

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Senator Mark Miller
Representative Mark Pocan
November 15, 2010
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Providers Suspended from the Wisconsin Shares Program, October 2010

During the month of October, DCF suspended payments to eleven child care providers; ten were from Milwaukee County, and one was from Chippewa County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during October a total of \$526,039 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through October the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$5,816,430.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 1,227 changed authorizations
This figure reports the total number of active authorizations in October that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 12,730 hours
This figure reports the total number of hours taken off of active authorizations in October that were reduced by the automated system.

Estimated savings in the month due to the automated authorization adjustment system: \$87,244
This is an estimate of the maximum potential savings for those active authorizations in October that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.
The system was launched on May 15, 2010 and has not been in operation long enough to identify trends or anomalies that might suggest areas for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Reggie Bicha
Secretary

cc: Dan Schooff, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
A Brighter Tomorrow Learning Center	Milwaukee	10/15/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. During an on-site visit on 1/22/2010, a DCF representative requested attendance records from December 2009; however the provider was unable to locate the records that were requested. The representative was able to collect the records for 11/29/09 – 12/5/09 and 1/3/10 – 1/16/10. They failed to present 4 weeks of attendance records and had no knowledge of the location of the records. In addition, they have had a repeated pattern of not being able to locate attendance records when they were requested by DCF. More recently, during an on-site visit on 9/16/10, it was cited by the DCF representative that the daily attendance had not been maintained since mid-June 2010.	Yes	Overpayment establishment pending per formal investigation completion	No	
Guardian Angel Child Dev Center	Milwaukee	10/15/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. Contrary to DCF 251.04(6)(b) and Wisconsin Shares Child Care Assistance Manual 2.2.2, an audit of their attendance records compared with their billing records found that there were significant hours improperly billed to Wisconsin Shares	Yes	Overpayment establishment pending per formal investigation completion	No	Yes

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Johanna Child Development LLC	Milwaukee	10/29/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings including but not limited to the provider's failure to maintain and submit accurate attendance records as required by the Shares program. This provider billed the States of Wisconsin for a significant amount of hours for which care was not provided.	Yes	Overpayment establishment pending per formal investigation completion	No	Yes
Kids Will Be Kids	Chippewa	10/15/2010	Chippewa County and the Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and based upon findings from the Chippewa County's investigation including but not limited to 1) a failure to maintain and submit accurate attendance records as required by the Shares program and 2) a failure to comply with the provisions of the Child and Adult Care Food Program (CACFP).	Yes	Overpayment establishment pending per formal investigation completion	No	Yes
Mattie L Gray Children Of Diversity	Milwaukee	10/22/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The provider failed to maintain and submit accurate attendance records as required by the Shares program for the months of November and December of 2009. A parent stated that her children did not attend the center at all during the two month time period. However, the provider billed for the children.	Yes	Overpayment establishment pending per formal investigation completion	No	Yes

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
My Little Love One's Inc	Milwaukee	10/8/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. An audit of the attendance records compared with the billing records found that there were significant hours improperly billed to Wisconsin Shares which is contrary to DCF 201.04(5)(c) and licensing rule DCF 251.04(6)(a)(6)(b). From the period 7/05/09 through 10/24/09, billed the State of Wisconsin for over 4,000 hours of which child care was not provided.	Yes	Overpayment establishment pending per formal investigation completion	Yes	No
Noble Care Day Care Center	Milwaukee	10/8/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. These include the provider's failure to have attendance records available at the child care site when the department requested to review them, and the provider's failure to maintain and submit accurate attendance records as required by the Shares program. The Department has been unable to verify the actual care of children by this facility. The Department attempted to visit the facility on 9/9/2008, 7/29/2009, 7/31/2009, 11/19/2009, 8/5/10, 8/12/10, 8/16/10, 8/23/10, and 9/23/10 and was unsuccessful in gaining access to the facility. The unsuccessful attempts to verify the presence of children attending the facility raises a strong and reasonable suspicion that the provider is billing the Wisconsin Shares program for children that did not actually attend.	Yes	Overpayment establishment pending per formal investigation completion	Yes	No

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Terry Jordan	Milwaukee	10/15/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. These include the provider's failure to have attendance records available at the child care site when the department requested to review them, and the provider's failure to maintain and submit accurate attendance records as required by the Shares program. During an unannounced visit on 09/30/2010 at 11:30 am, a DCF representative noted that there were 4 children present, but none of them were signed in.	No	Overpayment establishment pending per formal investigation completion	Yes	Yes

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
The Kid Depot Development Center	Milwaukee	10/08/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. An audit of attendance records compared with billing records found that there were significant hours improperly billed to Wisconsin Shares which is contrary to DCF 201.04(5)(c) and Licensing rule DCF 251.04(6)(a)(6)(b). The Department has evidence that the provider billed the State of Wisconsin for children who did not attend the facility and that the State of Wisconsin was improperly billed for the children who did attend. The Department verified these discrepancies through parent interviews and audits of the provider records.	Yes	Overpayment establishment pending per formal investigation completion	No	
Tomorrow's Future Child Care Center	Milwaukee	10/29/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings including but not limited to the provider's failure to maintain and submit accurate attendance records as required by the Shares program. This provider billed the States of Wisconsin for a significant amount of hours for which care was not provided.	Yes	Overpayment establishment pending per formal investigation completion	Yes	No

Wisconsin Shares Provider Suspensions
October 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Wilson's Helping Hand Child Care	Milwaukee	10/15/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. During an unannounced visit made by a DCF representative on 08/12/2010 records were requested for the dates covering August 2009 to August 12th, 2010. The provider could not locate the majority of the records requested. During that period they were paid \$64,916.51 from the Shares program. In addition, during this visit they were also observed falsifying attendance records for the current week.	Yes	\$95,734.81	Yes	No